

# ***NEWS RELEASE***

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## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA***

***San Diego, California***

***United States Attorney  
Karen P. Hewitt***

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***For Further Information, Contact: Assistant U.S. Attorney Sanjay Bhandari (619) 557-7042***

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***For Immediate Release***

### **NEWS RELEASE SUMMARY** - February 26, 2007

United States Attorney Karen P. Hewitt announced that Vladislav Zubkis, (also known as “Steven” Zubkis), was sentenced today in federal court in San Diego following his plea of guilty to conspiracy to commit mail fraud and money laundering. United States District Judge Larry A. Burns sentenced Zubkis to serve 60 months in custody, to pay restitution to the victims in the amount of \$1,812,362.44, and to serve a three-year term of supervised release following his release from prison.

As part of his guilty plea, Zubkis admitted that he had defrauded investors of over \$1.8 million through misrepresentations and omissions relating to the construction of a storage facility and the renovation of a Las Vegas casino. Zubkis also admitted that he and his coconspirators deliberately misled investors about his business experience, his companies, the uses to which he put investors’ funds, and the status and prospects of the storage and casino projects. Zubkis further admitted that he laundered the funds he unlawfully took from investors.

United States Attorney Hewitt stated, “For years, defendant Zubkis lived high on stolen funds -- a life of yachts, private jets, and other luxuries bought with other people's hard-earned money. A serial con man, he ran one fraud scheme after another for years, even after being sued by the Securities & Exchange Commission and enjoined by a federal judge, until he was stopped by the joint efforts of the law enforcement agencies involved in this case. Judge Burns' imposition of the maximum sentence of 60 months' imprisonment, plus \$1,812,362.44 in restitution, was long-awaited justice for Zubkis' victims, who will also receive approximately 1/3 of their losses back through funds recovered in connection with this case.”

FBI Special Agent in Charge Daniel R. Dzwilewski commented, “Though the FBI is committed to investigating those who defraud others for personal gain, this case should serve as a reminder to the public that caution should be taken when making investments with individuals promising rates of return that seem too good to be true.”

“When you knowingly mix deceit and trickery into the financial well-being of individuals, you create a recipe for devastation that could last a lifetime. Today's sentencing demonstrates how federal law enforcement will band together to help put an end to the deceitful criminal behavior of those who prey on investors for their personal financial gain. IRS criminal investigators will continue to use their financial expertise to identify and trace laundered funds in these types of investor fraud schemes," said Kenneth J. Hines, Special Agent in Charge, IRS-CI San Diego Field Office.

The United States Attorney praised the investigative work by the Federal Bureau of Investigation and the Internal Revenue Service in this case. She also expressed appreciation for the assistance received from the San Diego County Sheriff's Office and the San Diego Police Department.

**DEFENDANT**

**Case Number: 05cr2202-LAB**

**VLADISLAV ZUBKIS**

a.k.a. VLADISLAW ZUBKIS, a.k.a. “STEVEN” ZUBKIS

## **SUMMARY OF CHARGES**

One Count - Conspiracy to commit offenses against the United States, in violation of Title 18, United States Code, Section 371. Maximum penalty: 5 years' imprisonment.

## **AGENCIES**

Federal Bureau of Investigation  
Internal Revenue Service, Criminal Investigation